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Message Text

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ACTION NEA-07

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EUCOM

C O N F I D E N T I A L AMMAN 5163

LIMDIS

SECDEF FOR ISA ASSISTANT SECRETARY MCAULIFFE

SECSTATE FOR NEA/ARN MORRIS DRAPER

EUCOM FOR MAJOR GENERAL RYDER

FROM AMBASSADOR

E.O.11652: GDS
TAGS: MASS, JO, US
SUBJECT: JORDAN ARMORED REBUILD FACILITY

1. BECAUSE YOU WILL SHORTLY BE MEETING WITH THE JORDANIANS AT THE JMC MEETING, I AM TAKING THE LIBERTY OF SENDING YOU BY TELEGRAM A BRIEF OVER VIEW OF THE QUESTION OF THE FEASIBILITY OF THE JORDAN ARMORED REBUILD FACILITY. SUBSEQUENT PARAGRAPHS SET OUT IN SOMEWHAT MORE DETAIL THE PRESENT SITUATION.

2. SUMMARY OF THE PRESENT SITUATION: YOUR QUESTION TO ME ABOUT WHETHER THE PROJECT IS FEASIBLE WAS ABSOLUTELY ON THE MARK. OVER THE YEARS DURING WHICH WE HAVE CONSIDERED THIS FACILITY, IT HAS GROWN IN CONCEPT, SCOPE, SIZE AND COST FROM $17 MILLION IN 1972-73 TO PERHAPS SOMETHING AS LARGE AS $100 MILLION PLUS IN 1976. WE AND THE JORDANIANS HAVE DISAGREEMENTS OVER SOME OF THE COSTS
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BASED ON A DIFFERENCE BETWEEN THEIR PERCEPTIONS OF THE

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COST TO BUILD IN JORDAN AND THOSE OF THE CORPS OF
ENGINEERS WHO HAVE BASED THEIR ESTIMATES ON SAUDI
ARABIAN COST FACTORS.

3. ORIGINALLY WE BELIEVED THE FACILITY MADE SENSE IN
TERMS OF A $17 MILLION COST FOR REBUILDING AND MAINTAINING
JORDAN'S GROWING ARMORED VEHCILE FLEET WHEN COMPARED WITH
THE ALTERNATIVES OF OUTRIGHT PURCHASE OF NEW VEHCILES TO
REPLACE THOSE REQUIREING MAINTENANCE OR ALTERNATIVELY OF
THE RETURN OF THE VEHICLES TO THE US OR THE UK FOR SUCH
REBUILDING. USE OF THEFACILITY TO HELP REBUILD OTHER
ARAB VEHICLES WAS ALSO CONSIDERED AS A FACTOR WHICH HAD
THE POTENTIAL TO INCREASE THE PLANT'S VIABILITY. WE
HAVE SOME QUESTIONS ABOUT WHETHER THIS FACTOR CAN CONTINUE
TO BE TAKEN INTO ACCOUNT.

4. IN SUM, WE HAVE WORKED WITH THE JORDANIANS TO ATTEMPT
TO REFINE COST FIGURES. WE HAVE NOT ASSUMED AUTOMATICALLY
THAT THE INCREASED COST OF THE ARMORED VEHICLE FACILITY
WOULD NOT AFFECT ITS FEASIBILITY. WE HAVE URGED, AND WE
HOPE YOU WILL CONTINUE TO URGE, THE JORDANIANS TO LOOK AT
THIS QUESTION CAREFULLY WHEN FINAL COST ESTIMATES HAVE
BEEN ARRIVED AT IN A SATISFACTORY MANNER TO BOTH PARTIES. WE OF
COURSE HAVE INVESTED A LOT OF TIME AND EFFORT IN THIS PROCESS.
HOWEVER, IN MY JUDGMENT, THERE IS NO IRREVOCABLE COMMIT-
MENT TO THE JORDANIANS AT THIS POINT TO SHARE IN BUILDING
THIS FACILITY REGARDLESS OF THE COST WHICH WILL OF COURSE
BE THE MAJOR DETERMINANT OF ITS EFFECTIVENESS AND
FEASIBILITY.

5. SEPTEL PROVIDES THE MORE DETAILED INFORMATION MENTIONED
ABOVE. WARM REGRDS.
PICKERING

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